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# AMERICAN PROTECTION

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*versus*

## CANADIAN FREE TRADE—

### A Plea for British Agriculture.

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Dedicated to the Hon.

SIR ALEXANDER T. GALT, K.C.M.G.,

HIGH COMMISSIONER OF THE DOMINION OF CANADA.

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BY JOHN WOOD.



LONDON :

EFFINGHAM WILSON, ROYAL EXCHANGE, E.C.

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1880.

*Price One Shilling.*

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TO THE HON.

Sir Alexander T. Galt, K.C.M.G.,

*High Commissioner of the Dominion.*

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MY DEAR SIR ALEXANDER,

As the official representative in this country of the Dominion of Canada, and in that high capacity one who may be presumed to be officially interested in the distinguished legislative Act by which the colony has recently substituted for the previous policy so-called of Free Trade the better-established commercial system founded on the principle of Protection for native industry, I may appropriately, perhaps, dedicate to you these pages, designed as they are to show the urgency for, and, in accord with the fundamental laws of Political Economy, the wisdom of the important step which the colony has thus been the first nationally to take.

I may, I hope, be permitted at the same time to remind you of my own preconceptions on this subject long previously expressed to yourself, and which I then had scarcely hoped that Canada, as the great pioneer of an inevitable retrogression, might so soon have determined

practically to justify ; although, indeed, this grave political theme has doubtless in this country also, since the conversations referred to, already forced itself more prominently to the front.

In the humble hope that—by the parent country also—the re-adjudication of this vitally important question may not be long postponed,

I have the honour to remain,

Sincerely yours,

THE AUTHOR.

# AMERICAN PROTECTION

*versus*

## CANADIAN FREE TRADE—

### A PLEA FOR BRITISH AGRICULTURE.

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AN impassioned eulogy of the virtues of our modern Free Trade legislation has lately appeared from the able pen of Mr. Gladstone.\* The data selected by him for the groundwork of an elaborate argument on this theme, and the practical conclusion arrived at, are perhaps unfortunate in this respect, that data of the same character, although of greatly transcendent force, are simultaneously presented to us during also the period passed under review in the various industrial and national statistics of the United States of America. From these conclusive American data also a logician of even less intellectual pre-eminence than Mr. Gladstone, in defence, too, of the very opposite ultra-protectionist policy, might doubtless more demonstratively draw the identical inference which this distinguished statesman essays to extract in support of Free Trade from the similar English statistics.†

\* *Vide* an article on this subject, in the February number of the *Nineteenth Century*, by the Right Hon. W. E. Gladstone, M.P.

† Take the following examples :—The Northern States alone, for their great Civil War, raised within themselves, in the



On the other hand, the commercial records of the Dominion of Canada, in contrast with those of the conterminous States of America, present melancholy evidence of a condition of national decadence, superinduced solely by the disastrous operation of a free trade system, in the subversion and threatened annihilation of the colony's most important and once flourishing industries.

An incident growing out of the late commercial relations of these two countries, America and Canada, respectively under each of these rival theories of political economy may perhaps serve to elucidate the justice of these preliminary obser-

space of five years, £500,000,000 sterling. For our last French war we had twenty years to raise the same amount.

The liquidation of our National Debt we know belongs to the Greek Calends; but America's attacks on hers bring its possible redemption within an almost tangible era.

A railway system is both the evidence and offspring of material prosperity. During Mr. Gladstone's period the English railway mileage had scarcely reached 20,000 miles. That of America had grown to nearly 80,000.

America's export trade also, notwithstanding the Alabama's depredations and interruption, keeps close up with ours if we deduct from ours the £40,000,000 value of the imported raw material of cotton wool—a constituent portion of course of England's exports.

The immense financial operations and military results of the Civil War, no less than the promising aspect of its railway investments, have, subsequently to that war, deservedly attracted to that country ample European confidence and unsolicited capital. The wealth and resources of America and the modern development of these, under the fostering sway of a peculiar commercial code, will henceforth entitle the yet infant Republic to take first rank amongst the nations.

Such salient facts indeed, if Mr. Gladstone's constructive logic be admissible, must be held of course to demonstrate, not the efficacy merely, but the absolute supremacy of *Protection* as a national policy. This necessarily is so—or the logically fatal alternative must, we fear, result, that an otherwise brilliant argument involves only an obvious *non sequitur*.

vations. The incident mentioned cannot perhaps be better described than in the record which appeared amongst the "Commercial Notes" of the *Manchester Guardian* newspaper of the 18th December last. It will be seen, too, from that extract, that the incident it records rests upon the most reliable testimony—that of the respectable authorities themselves who were concerned in the important commercial transaction referred to.

The extract is as follows:

"Some interesting figures relating to American locomotive building are given in a letter to the *New York Tribune*. The Hon. P. Mitchell, of Montreal, in defending Canadian protection, recently observed that five and a half years ago Canada paid the American machinists \$5,000,000 for 556 locomotives, and that the one Canadian establishment for the production of locomotives then existing was compelled to succumb to American competition. Referring to this statement, a correspondent of the above-named paper says that he contracted for and built 225 of the locomotives in question at an average price of \$12,000 each, without duty. At that time the Canadian duty on imported locomotives being 15 per cent., the cost to the importers was increased to this extent. The one Canadian establishment had not only the advantage of this duty, but also a difference of \$1,000 per engine in raw material, at that time admitted into Canada free, the total advantage being almost equal to 25 per cent. The American builders nevertheless earned a net profit of 20 per cent. on the price paid, the actual cost to the builders being \$9,600. The net cost of the same locomotive in America at present is said to be \$7,400. The Canadian duty is now 25 per cent., and adding this and an additional 14 per cent. as 'a fair profit,' the American locomotives can be sold and delivered in Canada for \$10,500. The *Tribune's* correspondent asks how the Canadians are to compete now if they could not compete at the old price of \$12,000 exclusive of duty."

From this interesting report of the case we learn, in the first place, that about the period therein indicated this branch of Canadian industry—locomotive engine building—to which the extract calls

attention, was of such considerable dimensions that a single order for its productions was of the value of about a million sterling.

We learn, further, that this important manufacture was notwithstanding subsequently lost to Canada, and was indeed taken from her by the active competition of America.

And, finally, that this successful American competition and unsuccessful resistance on the part of Canada were conducted by the former under a protective and prohibitory tariff, and a free trade or non-prohibitory one in Canada. The American tariff, in fact, imposed an import duty of 35 to 40 per cent., *ad valorem*, on foreign locomotives, while that of Canada levied only 15 per cent., and was totally inoperative as a protection to the Canadian manufacture.

How then, we may inquire, is this curious result to be accounted for, if all the virtues claimed by Mr. Gladstone for Free Trade, and all the malignant and poisonous vices imputed by him to Protection, really belong respectively to these rival philosophies ?

As matter of fact, the case before us, on the the evidence of the respectable testimony cited, appears to have been practically just the reverse of Mr. Gladstone's eloquent conclusions. For here we have unimpeachable witnesses to the fact that, while national disaster or the utter ruin of her most valuable industries follows the *quasi* Free Trade Code of Canada, national prosperity on the largest imaginable scale, the most thriving condition of its manufactures, and even the absolute

*cheapness* of industrial productions, are inseparably intertwined with the opposite Protectionist legislation of America—cheapness, too, which in respect of a most valuable trade order beat outright not only the Canadian but the English manufacturer also, while it still left the American house a profit of 20 per cent. on the whole transaction.

For such results of these conflicting commercial theories there must necessarily exist some valid reason—some practical cause. What is it?

The facts of the case, we think, clearly show that the initiatory causes of the decline of Canadian manufactures were, in the first place, simply the greater *cheapness* of the competing American production; next, the statutory privilege enjoyed by the Canadian people of unrestricted liberty to purchase it; and, finally, the fact of their availing themselves of that privilege by preferring a foreign to the domestic production.

In America, on the contrary, its commercial tariff, practically interdicting its population from exercising the same privilege in regard to foreign articles, had failed to prevent (the contrary of which the Free Trade partisan might have anticipated) if it had not actually conduced to the superior cheapness of their own productions.

It would doubtless be a curious inquiry, and one perhaps not altogether devoid of public interest, were we now to proceed with our proposed investigation of the *modus operandi*, or as to *how* indeed it could have happened that these two opposite commercial systems, Protection and Free Trade, should thus practically have developed results so

diametrically the reverse of what these ought to have been according to Mr. Gladstone's argument and hypothesis.

Are we, then, to infer from the palpable fact of the greater *cheapness* of the American locomotive that such cheapness was really the offspring of a Protectionist code? Were this the case, then of course the absence of a similar code in Canada would naturally account for the fact of the comparative dearness of the Dominion production.

Our own progress as a nation, imposing though it be, is indeed insignificant compared with that of America. There the practical operation of a high tariff seems to be simply this: The tariff in the first instance, of course, opposes an effectual barrier against all foreign importations so long as the domestic price of the like commodities is withheld, by the abundance of the domestic production, from rising to the import level. This abundance in a manufacturing country is regulated by the amount of out-turn at the mills as this is again by the domestic demand. The volume of this demand determines the price and therewith the profits of the manufacturer. The proportion of home products absorbed by the home consumption consists of those chiefly of which the raw material is also of domestic origin, and comprises the great bulk of consumable commodities. These being all home products, of course, never have to pay the import duty, which to such home products is therefore as if it had no existence.

But, with regard to the rarer commodities, which

cannot perhaps be so perfectly or so exquisitely produced at home, or which, for fashion's sake, are by the luxurious preferred from abroad, and are consequently imported, on these the high tariff duty has necessarily to be paid, and by the wealthy is paid readily.

Thus the tariff duty adds nothing whatever to the cost of the more numerous home products, which constitute the great bulk of the home consumption, the price of which is generally kept down by force, simply, of the domestic competition; and it probably never happens that the national prosperity is so general and prodigious as to create a demand in excess of the domestic production to a degree which would raise the price of everything up to the import level. In such prosperous circumstances, of course, the high duties would naturally be paid without complaint by the now full-waged working classes. But when prices thus rise up to the import level, they obviously become also the source of augmented profits to the domestic manufacturer, whom they naturally stimulate to increased production, until the supply again becomes equal to or exceeds the demand, and prices naturally of themselves thus fall again.

An imperative American tariff, however, closes the home market of that country generally against all foreign competition unable to bear an arbitrarily high import duty. This law constitutes in America the mainspring of all her industrial prosperity, and is indeed the basis of her transcendent national importance. Now, an exclusive

tariff of this kind must of necessity exercise an influence upon the capitalist and manufacturer of America in this way. It would impart to them, at any rate, the fullest confidence that any proposed investment in the industries of that country, so far as concerned the possibility of its productions being countervailed by an overwhelming supply of cheaper foreign, was, in that respect, safe as to its return for the outlay; and also that the customary market was, by the same means, equally secured to the home producer. Foreign competition, therefore, formed no element of uncertainty in the practical conclusions of the parties who were chiefly essential to the initiation of the projects contemplated. These conditions would also equally apply to every other industrial undertaking and would thus naturally account for the ample abundance, and the consequent cheapness, of their various productions.

The force of domestic rivalry in America necessarily compels each producer there to practise experiments and economies which tend to ensure the best and cheapest article, and to attract the public preference in consequence.

Just the reverse however, was the situation of Canada in regard to matters of the same kind. There the capitalist and manufacturer enjoyed no such clear stage for their operations; and, through the mere absence of all protective laws, by a very natural distrust of the issue, they were deterred from engaging in them.

With the withdrawalment of the great majority of the parties essential to these undertakings, the

production there would fall into diminished supply; and in the home market would consequently advance in commercial value. This state of affairs in Canada, under her system of open ports, would go on with augmenting effect, until, as we find to have been the actual issue, every domestic manufacture of locomotives was, by means of a better constituted and eventually successful American competition, finally closed; and until, indeed, the railway company in question had no alternative left but now to supply itself from America.

The practical operation of a Protectionist or of a Free Trade policy has thus, it seems, to be always considered with regard to the possible influence of either code upon the action of the domestic capitalist and manufacturer, whose countenance or aversion must foster in the one case, or else frustrate in the other, every such industrial undertaking.

It is ever the inevitable fact that the greater cheapness of a commodity in general use must command for it the preference in every market, and that the dearer one must thereby be driven out of demand. As such dearer article can only be rendered cheaper by widening the area of its sale and consumption, its fate is thus irrevocably sealed, by simply keeping open the ports to a like foreign commodity that is able to undersell it; while, had the ports been originally and constantly closed against such injurious rivalry, the domestic production, although perhaps somewhat dearer at first, must eventually have become cheaper because of its greater abundance in the market, just as is now the case in



America, although formerly it was not so even there.

A very small degree of relative cheapness in the foreign commodity operating with fatal certainty, like a sugared poison, or the resistless thin end of the wedge, would always prove potent in opening the way for it into the Canadian market. The native supply there would consequently be proportionately diminished, and would thus only the more completely throw open the domestic market to the foreign article. The repetition of the same process at all points, but on a still widening scale, would finally drive the native production entirely out of use. The industry to which it appertained would by these means be of necessity extinguished, and a like fate would await every other manufacture similarly situated.

No native manufacture indeed, however long or well established, can offer successful resistance to this kind of foreign invasion. The practical question immediately started by the process is whether the home industry affected should continue to be carried on at a loss, instead of being at once abandoned; and this question—a very delicate one to those concerned—is naturally in most cases decided in the negative.

For such a disastrous result the public are, of course, open to no blame whatever for giving their preference to the cheaper commodity. The legislature, in fact, is alone responsible for rendering possible any such suicidal action by the public, the effect of which can only be to inflict upon the community a greater loss of income and wages

than any supposed gain through the gradual but certain extinction of so many sources of national wealth.

Had the Canadian tariff, in the first instance, opposed a barrier to this kind of invasion, Canada might now have been equally prosperous with America; and might now also have been able to produce as cheap an article as that from the kindred factories of the latter country. There was, at least, no essential diversity in the local conditions of the two countries to have precluded this more prosperous stage of Canadian manufactures.

It thus becomes tolerably clear that the Protectionist law, which Mr. Gladstone claims to regard as the mere grant of a vicious and invidious monopoly to class selfishness, may not at all merit that ignominious distinction; but, on the contrary, may really be an enactment of the purest patriotism and most conspicuous humanity. Landlords too have sometimes had to share the same reproach. But it is difficult to understand how this pre-eminent class amongst us should have deserved it in a country where the acquisition of land is open to every individual of the community; and where the landlord, for generations past, has been unable to lease his farms at rents, which, on the average, yield more than 3 per cent. on the market value of the land. Can that possibly be of the nature of a *monopoly* which thus, even in respect of land, confers equal rights and privileges upon every individual alike of the population? We think not.

A law which simply secures to our own countrymen and fellow subjects, to the capitalist, the

manufacturer, the landlord, and the farmer, the only motive which can possibly influence them to useful enterprise, to the manifest advantage of the whole population, by simply cutting off the fatally deterring obstruction and hostility of an immeasurable and incessant foreign competition, does not surely merit the opprobrium which Mr. Gladstone would cast upon it.

When the price of any domestic production has already been forced down by domestic competition to that point below which its cultivation becomes unprofitable, if at this juncture a cheaper foreign commodity of similar description is by law admitted at all times, the law, in this case, constitutes itself the great adversary to industrial and national progress, and becomes the fatal agency by which the industry so assailed is destroyed, together with the general prosperity which had depended upon it. However long, or however well established such an industry may have been, it must eventually, like an undermined fortress, fall to the ground, if the ports are by law allowed to remain permanently open to the foreigner. It is obviously, only just so long as the home market is enabled to offer through the home competition alone, the cheaper article, that, under such adverse and unequal conditions, it can hope to hold its own, or that the native industry to which it belongs can be successfully upheld.

Whenever a native production, from any cause, ceases to yield the capitalist the required return for his outlay, or the manufacturer his necessary profit, for which objects alone in both cases the

industry concerned had been at first undertaken, the original motive, of course, at once loses its influence, and every enterprise brought to this crisis is, in the nature of things, doomed to abandonment.

And such was necessarily the consummation realised by the locomotive manufacture of Canada. Under this melancholy reverse of its condition and prospects, the last Canadian establishment of the kind, we are told in our extract, was thus finally compelled to succumb to the disastrous competition of America.

The serious loss in this case is not, however, confined to the capitalist and manufacturer. A heavier loss by far is suffered by the community at large, namely, the loss of the whole value of the production, which now ceases to furnish employment and income to the masses of the population. The entire value of the commodity, which had before circulated and fructified at home, has, in fact, been driven away, and has now gone abroad.

Canada has been under these adverse statutory conditions absolutely forced to more serious reflection upon the most fundamental doctrine of all political economy, namely, that which declares that, beyond the prosperous activity of its own remunerative industries, a country can possess no source whatever of income, wealth, or national progress. To lose or jeopardise these therefore she now sees to be fatal to all her true interests. Henceforward Canada therefore adopts the more enriching commercial code of the United States,

which sheds so benign an influence over the great industries of that country; that is, the Dominion Legislature has now irrevocably sanctioned a commercial tariff which is essentially *Protective* of all Canadian industries.

From no hostility to America, therefore, and certainly from no mere antagonism to England's adopted though dubious policy, but in pure self-defence and for the greater security of her own material wealth, Canada has now resolved by means of a reformed and protective tariff to recover again her previous industrial position.

How then, we may now inquire, does this new commercial policy promise to work in the matter of locomotive engines more particularly?

In the first place we find that it affords a practical and satisfactory answer to the somewhat ironical inquiry of the American manufacturer in our extract—namely, How can Canada hope now to compete if she was unable to do so under the higher cost and lower import duty? Canada will henceforth manufacture for herself, and will therefore pay no import duty at all on these machines. Under her new tariff she will now make her own locomotives, and the consequence will be that every similar order to that which had previously been sent to America but is now to be taken by Canadian establishments will eventually serve to retain at home a million sterling which had before gone abroad.

Every Canadian industry so situated would in like manner be gradually resuscitated by the stimulating distribution at home of all those orders

which had before gone to foreign manufacturers. There can be no doubt, we conceive, that the beneficial operation of this new state of things upon the great majority of the Canadian industrial public must in future be of this reviving and exhilarating kind, while the exceptions, where it may possibly be otherwise, will be but comparatively few.

And what is henceforth to be the actual position of the railway company in question ?

That railway has now to bear, let us assume, a loss possibly of one-tenth part upon the cost of its locomotives, but this probably in the first instance only. Increased working charges of this nature are ever prejudicial to the shareholders in a railway company. But, on the other hand, a proportionately augmented traffic can always recoup them. Increased travelling by the public, and an improved goods traffic, which the more prosperous condition of the home trade must ensure, and without any advance of fares, will produce the needful growth of profits to the railway.

Besides this prospect, the former comparative dearness of the Canadian locomotive, under an injurious tariff, had resulted solely from the curtailment of the domestic manufacture. But now, under the ægis of a Protective code, these important manufactures would soon be multiplied; and from this abundance, with the consequent cheapness, the railway company would be enabled to supply itself advantageously, while the Canadian manufacturer, through the augmented scale of his

orders, would also be in a better position to deal with the company on its own terms.

The loss sustained by the individual, through any legislative interdict or prohibitory tariff, against buying a cheaper foreign article, will always thus be much more than counterbalanced and compensated for by the augmented scale of the home *demand* for all domestic productions, which of necessity must result from this statutory restriction of the public in its various purchases to the use of commodities of home production only, or chiefly so.

It may be objected, why should Canada concern herself at all about manufactures, when she is now in possession of immense tracts of prolific soil in the north-west, capable of affording profitable employment to her entire population? To this it may be answered, that if only the tenth part of a community devote themselves to agriculture, so small a number is fully able to raise farm produce enough for the whole of the population, while the foreign demand is not to be controlled or relied upon by the producing country. How, then, are the other nine-tenths of the people to be occupied except in manufactures?

This investigation will fully warrant, we think, the deduction therefrom of the following practical conclusion :

That there does really exist, between a commercial tariff and the condition, prosperous or the reverse, of the country which it dominates, the relation of cause and effect; and that the conspicuous prosperity of America, and the palpable

decadence of Canada as respects its important manufactures, are only the natural results of their respective and opposite tariffs.

The identical process precisely which had proved disastrous to Canada, is unfortunately already in full operation in England. The slightly cheaper wares of America, through our open ports, now freely enter, and occupy, on equal conditions with British productions, all our home markets. They now, in fact, crowd our warehouses, and are being sold by almost every shopkeeper in the land.

The annual balance of trade with America, has also steadily augmented in amount, and is at present over 70 millions against us.\*

The authority of Adam Smith, of course, need not, indeed, being adverse, cannot be invoked, to sanction so gross an international anomaly as this—one which is indeed without parallel.

Are the tariff results just passed under review, then, quite without interest for England? It would almost seem so, from the very slight impression the recent Canadian movement has yet made upon us.

Let us, however, now proceed to take stock, so to speak, of the situation, and see precisely where, as a nation, we now are?

The late Mr. Cobden had anticipated, from the abrogation of our protective system, the early

\* The Financial Reform Almanack for 1880 gives the summarised value of our trade with *each* foreign country; and shows our exports to America to be only 17 millions, against imports therefrom of 89 millions sterling.



opening of foreign markets to our manufactures, and the certain supply of cheap food.

The first of these national objects, it must be confessed, has not been attained. It has indeed signally failed. Foreign countries, America,\* for example, with which we had formerly traded satisfactorily have since raised their tariffs generally against us ; and, in this respect, if nationally we are not, after thirty years of Free Trade, worse off than before, our foreign relations have certainly not commercially improved. We presume the solitary French commercial treaty will not be here set up as the full contemplated benefit, against advanced tariffs not only of Europe but of America. But it may be said—Is there no prospect of a favourable change in this adverse foreign policy ? None in the least. Our diplomacy, the only weapon available to us, is now disarmed. Our representatives at foreign courts, denuded of all their former resources of retaliation, are now powerless. When England appeals to what she has already done as a fair basis for foreign concessions, the response is—“ Ah, true ! you have done much in that way ; but then, you know, you did it avowedly in your own interest. That of course is past, and cannot be re-opened. You have nothing more to give ? ”

Thus England has never yet attained to the once contemplated Free Trade alliances with the

\* According to the copious tables of the Financial Reform Almanack for 1880, without going further back than the year 1855, the case stands thus : (in millions sterling)

	Exports.	Imports.
In 1855 - -	18	25
„ 1879 - -	17	89

outside world, but has merely enjoyed the single blessedness of Free Imports.

Have we, then, realised Mr. Cobden's anticipations of cheap food?

Doubtless this result had been assured to the masses; and they, looking only to the incessant weight of our foreign importations, are, like many of the more educated classes, still under the illusion that the promise must have been fulfilled. This promise doubtless was originally made in all sincerity and with the prospect of inevitable accomplishment. It was also implicitly believed and confessedly had more than any other consideration to do with the conversion of the multitude to Free Trade ideas. Those, however, who are wont to look below the surface know perfectly well that the promise has yet in no sense been, nor can possibly ever be, fulfilled by free imports merely. In proof they are enabled to appeal successfully to conclusive public statistics. Such are the official *Gazette* averages of the kingdom. The testimony afforded by these authorities on this important point must, of course, be accepted as final.\*

In no respect or degree therefore, although the hazardous experiment has now been protracted

\*These averages show the price of wheat to have been 54s. 9d. per quarter for the six years, 1841-6, preceding the repeal of the Corn Laws, against 53s. 3d. for the six years, 1871-6; and for the whole period, 1848 to 1878, to have been 51s. 10d. per quarter.

Thus the difference in price between these periods is infinitesimal and trifling only, and could make no perceptible reduction in the price of the 4-lb. loaf. Such reduction therefore is not at all a fulfilment practically of what the original promise had contemplated.

over a period of thirty years, has the country attained the main and ostensible objects for which the Protective system had exultingly been abandoned.

This negative and abortive result, for the modification of which by some adventitious means the reigning system of Free Trade continues still to be upheld, but at a sacrifice of the national industries and wealth on the largest possible scale, must now become the painful theme of our further reflections.

And why, let us now inquire, is the result so diverse from the promise and earlier anticipation? Have we not actually received during the past thirty years foreign food supplies beyond anything that had been dreamt of? True, this has been so. Why, then, has there been no corresponding depression of prices?

These imports have long since ceased to be *augmentations* of the domestic supply. They were so only in the first instance, and for the first few years of open ports. Our farmers becoming immediately alarmed at the certain prospect of continued heavy importations, at once commenced the gradual abandonment of tillage and turned their attention instead to grazing and pasture. The consequence has been that while the foreign supply continually augmented, British production quite as rapidly declined. The mere fact that home prices have remained pretty much as they had been before the fall of the old Corn Laws is fair proof that even our largest foreign imports no longer augment the practical home supply. In

fact they now serve merely to fill up the vacuum themselves had created in our domestic production.

This, then, is the simple reason why the largest possible scale of importations quite fails to depress further the English price. The prevailing belief amongst those most qualified to form a correct estimate is that British tillage has now fallen to little more than *half* of what it formerly was.\*

Free Imports, therefore, although the scale of these has been liberal beyond all preconception, have yet produced no appreciable declension of prices. The importations have simply annihilated British agricultural industry and production in exact proportion to their widest scale.

The vacuum thus created in the quantity on the

\* The *London Gazette* now gives the sales in 150 *principal* towns; and, for the Kingdom, these are multiplied by 4, instead of 3. The following averages are as given in the *Economist*, for 1845, and by the *Manchester Guardian*, for 1880:

	1845.	1880.
In 1,000 quarters, Wheat—Sales in 35 wks.	4,478	1,182 39 wks.
Add same average for omitted weeks ...	2,175	394
Multiplied for whole Kingdom by 3 - 4...	<u>19,959</u>	<u>6,030</u>

The last harvest is considered to have been below an average. Increased population could not more than fractionally account for this anomaly.

Mankind would seem to have been constituted by nature, in nations, as in families: with the design that, as with families, nations might be mutually independent, in order that each country, by augmenting its own essential productions with the growth of its population, might be able, through mutual international exchanges to repair every accidental deficiency of one commodity by its surplus of another.

Our commercial system, however, has unfortunately established for us a *permanent* deficiency of home-grown food, and not only sanctions, but compels the national preference from non-reciprocating nations of the supplies necessary to repair such deficiency.

home market can now only be filled up by a present *weekly* foreign supply of some 300,000 quarters—or, 15 millions of quarters per annum. This foreign contribution to her needs, England is now *compelled* regularly to obtain, or starvation stares her in the face.

This domestic exigency it is which upholds the home price at a point far beyond the foreign cost of production, and although the profit to the foreign grower is in the exact ratio of our prices, rising with these and with every cause of diminution in his own costs, we ourselves have, notwithstanding, to pay the present high prices, although thus forcing upwards the value not only against ourselves, but equally against the foreign consumer also in every producing country.

To the British agriculturalist, therefore, the future aspect of this industrial problem necessarily possesses great practical interest. Our farmers generally, as we have already said, driven gradually from tillage, had, of sheer necessity, taken to pasture, to raising animal food and dairy produce. They naturally had deemed this department of farming a secure citadel of refuge from any possible foreign competition. But alas for them! How unfounded this confidence! The lower charge for American railway transport, the multiplication and cheapened freightage of ocean steamers, and especially the marvellous refrigerating processes on shipboard have, for the past five years—a period probably the most distressing to our farmers of any previous times, dashed entirely this fond reliance. The fact that in the most perfectly

marketable condition, dead or live animals, with almost every kind of dairy produce, can now be brought from the remotest West, and from the very Antipodes to England, is now well established, and although the prospect is only at present not more probable than the former fact was but a few years ago, the possibility cannot now be ignored that, under some further improvements in refrigeration processes, every variety of growth of even the foreign kitchen garden (at least from America) will at no very remote period be regularly laid down in Covent Garden, and in similar markets throughout the country to the yet greater mortification of the British farmer.

And besides this immediate prospect, Dr. Lyon Playfair has just returned from the Far West of America, confirming the previous report of its almost unlimited extent of wheat-lands, and of the fact that in North-Western Canada, wheat is already grown at a profit for some 15s. a quarter.\*

\*The following is an extract from the interesting article in *Fraser's Magazine* (June), by the Rt. Hon. Lyon Playfair, M.P., pp. 751-752.

"A succession of bad seasons has made us feel the (American) competition keenly; but hopes are sometimes expressed, as they used to be in the Eastern States, that it is not likely to be permanent. There can be no greater delusion than this. The single State of Texas has an area nearly twice as great as that of the United Kingdom. Excluding land fit only for grazing, there are about 1,500,000 square miles of arable land in the United States." "In three years from now, another important competitor will have to be met. By that time the railway from Thunder Bay to the Red River ought to be in full operation, and the Welland Canal should be completed. Then the Canadian wheat-land of the North-West, even as far as 250 miles west of Winnipeg, will force its supply upon Europe at a price far lower than the average cost of wheat in

It is superfluous to say, that British agriculture must abandon all hope of competing, under our present system of free imports, with such supplies and quotations as these so soon, too, to be realised.

Of course it will be said the prospect for the nation is all the more encouraging if we may thus look forward to future supplies of corn at 15s. to 20s. a quarter, with other descriptions of food also proportionately cheap. We fear, however, the prospect will prove something very different practically from such only natural anticipations.

That the small cost at which it has been possible to grow foreign corn, has hitherto been of *no* advantage in respect of price to the British public is, of course, and as we have just shown, a fact beyond question. We know, too, that England *must* now obtain a weekly foreign supply of grain equal to 300,000 quarters. This is our case: we therefore cannot *afford* to haggle about the price. The food we *must* have. We are now, in fact, always on the very borders of national starvation, the question for us is simply—Can we *always* depend upon the due import of this immense supply? This fact of simple dependence has so far compelled us to pay for foreign corn, quite irrespective of what it can

this country. The average price for thirty years is, I believe, 51s. 11d. per quarter; while wheat is said to be grown at a profit in Manitoba for 15s. per quarter." "When such competition is added to that of the great wheat-growing territories of the United States—Minnesota, Kansas, Wisconsin, Illinois, Dakota, and even Montana—it does not require a prophet to see that either our production of wheat must be greatly increased by superior cultivation, or its profitable growth will be difficult for our farmers in the face of such a rapidly augmenting competition."

be grown for, a price based upon, and dictated solely by our own immediate wants. That this price is one which ensures to the grower only the larger rate of profit is quite beside the question. We are entirely dependent for the foreign supply, and must pay the foreign price whatever it may be.

If this, then, be the present situation, while we require from abroad weekly supplies of only 300,000 quarters, can our wants be at all less urgent, when we shall have so much further reduced our own tillage as to require the nearly doubled supply of 500,000 quarters weekly, or 25 millions of quarters per annum?

Let us calmly look this matter in the face. If such is to be our actual position, only a few years hence, will not the degree of our dependence, being then nearly double of what it is at present, regulate just as now the price we shall have to pay the foreigner; and will it not be rather the enlarged scale and greater urgency of our own requirements than the lower cost to the grower which must then, as now, determine the price?

Free Imports, down to the present time, have unquestionably brought us no appreciable advantage in price, although the foreign grower's profit has been all the time so great. Nor can we, therefore, expect that our then augmented needs, after having meanwhile reduced, if not literally extinguished, the produce of British tillage, will enable us to stand at any better advantage to treat about the price although we may then be perfectly aware that the foreign farmer, through reduced cost, can afford to sell at much lower quotations.



It is true that to such anticipations there may arise a reasonable objection of this kind. If these Free Imports fail thus to depress our prices, will not this incident steadiness of price be a motive for renewed British production? The answer is, that cheaper foreign imports, during thirty years past, have failed to reduce our own prices, and yet British tillage has not increased, but declined. Similar imports, therefore, twenty years hence, will have only the same negative effect on our own production. The reason is simply this. Whatever price may obtain in England under her present system of open ports, the American grower can **always undersell** such price, and any attempt, should such be made by the British farmer, to resume production, the American can always afford to frustrate, by simply *repeating* the former process of forcing his own supply at a still lower price, until the British farmer is thus completely driven out of what should be his own proper market. Our system of Free Imports, thus, gives to every foreign rival an arbitrary power to control and injure with impunity, not only individual farmers, but a great national industry.

Thus it will always necessarily result that, until British law shall in some efficacious mode interpose to protect from eventual extermination in this manner our own farmers, the abounding resources of the American, while secure of the full advantage of any reduced cost of growth, with our curtailed and eventually abandoned tillage, must on the other hand only place England entirely at his mercy as to the price and profit he can

exact, and which our absolute dependence on the outside world for all our necessary food must compel us to pay.

But there is another national aspect of this agricultural problem, which perhaps we may not discreetly ignore altogether.

We may, however, assume to be the fact what, without some yet improbable Government interposition, is indeed a moral certainty—that, twenty years hence, England may, indeed *must* be brought, through the total annihilation of her tillage, to a state of entire undisguised dependence on the foreigner for her whole supply of indispensable food. Can our *political* relations with other nations be then precisely what they have hitherto been?

This, doubtless, is a statesman's problem. But it seems scarcely to admit of any but a negative answer. We now know as an absolute certainty, however, that for the population to pursue its daily avocations a *weekly* supply of 500,000 quarters of foreign corn will then have become indispensable. We may, of course, implicitly rely on the ordinary laws of commerce to provide the needful in this respect. Is it equally certain that the same laws of commerce will always cover also our political relations with foreign powers? Let us surmise a mere possibility to the contrary.

Entirely destitute as we then must be of home supplies of essential food, we shall on the other hand probably be absolutely dependent, say, on America for four-fifths, and perhaps on Russia for (say) nearly one-fifth of our weekly requirements.

Now, when such shall be the undisguised situation of England in the eyes of the two Powers named, can we form any idea from what has hitherto certainly been impossible that the same impossibility will continue under these altered circumstances? For example—will it then be an impossibility that Russia, tempted to aggrandise herself purely by this exhibition of England's dependence for food, should hesitate to demand from us, let us say, the cession to her of our whole Indian Empire? Is it also an impossibility that America, prompted in the same manner by England's manifest dependence on her, should then hesitate, just too when the development of North-Western Canada's resources shall have aroused both her envy and ambition, by a mere expansion of the grasping Monroe doctrine, to demand from us the cession to her of all our possessions in America and the West Indies?

The answer to both questions, judging only by the past, would be of course, that the supposition is an absurdity. England, we know, has ever been formidable to the world as a military Power. It is difficult almost to conceive of her, under a new phase, as powerless and contemptible. Were this phase a possibility, it would of course mean England enslaved, stripped of her proud possessions amidst an unparalleled internecine status of the nations.

But the fact before us of this new condition of England's dependence is one unfortunately not to be set aside by such mere incredulity. We are supposing what indeed seems to be an inevitable certainty, that England, twenty years hence, must

openly lie before both America and Russia in this humiliated condition of helpless dependence for food, and that in these new circumstances it would be an impossibility for England to take the same high diplomatic ground as aforetime. Once the war-cloud shall darken our horizon, we should then some morning rise from our slumbers, like Samson from the shears of his wily foe, only to find our strength departed. The navy we had before relied upon cannot be *victualled*. The army, be it the finest and boldest in the world, cannot march: it has no *commissariat*.

Would it *now* be an impossibility for America and Russia, leagued together perhaps for the very purpose and to ensure the attainment of these sinister ends, to prefer the demands referred to, possessed at the same time as they must be of the knowledge that without their *consent* neither our navy nor army could move?

We trow not. Both of these Powers would then have simply to interdict by an irresistible mandate the export of food to England, and to this new mode of warfare we should possess no resources whatever to warrant our making even the show of resistance.

Here, too, commercial law, in our favour till now, would tell altogether in favour of enemies. Both Governments might even purchase, as a safe and sure mercantile *speculation* merely, the very produce which originally had been grown for England, and thus be able to satisfy and pacify their own expectant and possibly discontented farmers. Delayed shipments to this country would

compel our Government of the day, through an entire population's pressing want of food, to assent even to such rapacious demands; this accomplished, the two Powers would then, and not till then, be ready to sell to us; and England must be now only too ready to buy the food for which she was dependent (upon which too she had counted without such untoward delay) on any terms of price or profits these Powers might find it their interest to dictate.

The partisans of Free Trade seem now quite insensible, or perhaps they are altogether indifferent to any such possible crisis. We cannot but think, however, that we have adduced good and sufficient reasons to show the possibility, not to say the great probability, that even such an unlooked for test and ordeal of Free Trade may yet await us.

Now, after this black page in our national history shall hereafter have been read and digested by England, can we doubt for a moment that this country must and would at once return to the perfect protection of her agricultural industry, so as then most gladly to afford her own farmers whatever aids or securities might be deemed necessary to their resumption of production on the largest possible scale?

Whether, however, the surmised political crisis shall prove to be an imaginary or real danger to the State, it is, all the same, clear, that our national interests are thus closely bound up with agriculture to a degree and in a sense which must preclude all possibility of the latter being wittingly

placed in only the same category with other less important industries. This has claims of State *per se* which neither statesman nor patriot may presume to disallow.

Our condition of dependence on rival nations for essential food, is, at any rate, a reality; and henceforth, this presumed aggravation of such dependence must approach at a greatly accelerated pace. It involves, too, for England, an entirely new phase of military decrepitude: weakness, which in a hundred forms never before practicable, must, from its very nature, *invite* assaults and insults to which for our country only the most abject submission and acquiescence will be possible. But, whatever be the risk or the danger before us, events are certain to arise of one kind or another to remind us that, without the temptation of any possible motive we had sought this novel predicament for ourselves: had deliberately, with our eyes wide open, and without a single object of national advantage to be gained thereby, thus placed our country in its very midst.

That Free Imports must immediately land us in this novel state of political weakness is, on the evidence now adduced, an absolute certainty: all that is in any sense problematic is whether an ambitious enemy *could* resist the temptation to take advantage of it.

The prompt return to Protection after the circumstances supposed, without doubt, must be the inevitable result of any such crisis in our State affairs as that we have depicted.

Why, then, not resort to the inevitable before

the mischief is actually upon us? Such national retrogression, it will be said, is a step backwards. Of course it is a step backwards; but it is from the precipice's brink: only the demented, one might suppose, would hesitate to take it.

The progressive advance in national prosperity which a Protectionist policy procures for America would be our justification as well as an ample guarantee of the result.

This prudent and incumbent step must, however, remain impracticable until the prevailing false impression has been corrected—the impression as to the efficacy of Free Imports merely to secure for the masses low-priced food.

We see no possible reason why even Free Traders—aware that such is not the case, but that prices actually are no lower now than prior to the repeal of the Corn Laws—should not at once make common cause with their opponents in order simply to set public opinion right on this point at any rate. Candour, philanthropy, patriotism, alike urge this course, and we fail to see how any man who appreciates these, the highest of human motives, can refuse obedience to their dictates.

Such misapprehension once removed, the ground would be prepared for any feasible remedy being successfully applied to this perilous State dilemma.

In support of the movement for thus setting right public opinion, it might be declared, as an incontrovertible fact, that in order to purchase for our population the trivial boon of a reduction of a single shilling or so only per quarter in the price of corn, the country has already paid to foreigners,

at a yearly average of 35 millions during the past thirty years, over 1,000 millions sterling ! while a mere fraction of this enormous capital retained at home and applied over Great Britain and Ireland to a scientific and liberal outlay for manures and indispensable improvements would have ensured a greater and more permanent reduction in prices through even *multiplying* the produce from our own soils. This policy at the same time, by enlarging instead of contracting the home field of labour, would have laid the only true basis for a reasonable advance of wages to workmen of every class and to artisans all round. That both these results would be realised through this augmented home investment of capital we presume there cannot remain a reasonable doubt.

It seems to ourselves indeed, that sooner or later, but eventually to a certainty, some re-imposed fixed import duty on corn is inevitable. A duty on wheat possibly of 10s. a quarter ; of 6s. on grain of other sorts, and a proportionate *ad valorem* duty on beef, mutton, and dairy produce, might perhaps meet the menacing national exigency. This duty should not be suddenly, but gradually imposed, and only reciprocating British colonies should be exempted from the impost.

Such a duty, with our knowledge of the immense profit our present prices must yield the American grower, would compel him eventually, although possibly not immediately, to reduce his price by at least the same 10s. a quarter. This reduction at the same time would not only be so much clear gain to England, but the duty itself would also



yield our Government an important revenue, and would justify the reduction or removal of other more oppressive taxes.

The reduction of the foreign price would also still leave the American farmer an ample profit to ensure to us all necessary interim commercial shipments to England, where, at the same time, the protective duty, stimulating and fostering the necessary additional outlay of capital, would thus become the incentive to increased production by our own farmers—the only solid basis for a permanently reduced price of bread.

A general European famine renders the present year an exceptional one to British farmers, by having compelled other countries to divide with ourselves the great American surplus. Next year most probably it will not be so. Then our ports alone remaining open, the whole of the vast American surplus now being prepared for us must be poured upon our markets, and compel and initiate the recommencement in earnest of a very greatly extended curtailment of tillage.

The old sliding scale of duties certainly can never be restored. It never was anything but a cover to the evasion of all except the lowest (1s.) duty, and, besides compelling every importation to linger *in bond*, was simply an abortion.

In order to be of gradual introduction, the proposed duty might be (say) 3s. for the first year, 6s. for the second, and 10s. for the third year.

The old duty had been repealed ostensibly as a boon to the *consumer*. It has in reality been a boon only to the farmers of foreign and non-

reciprocating countries, and has proved a fatal blight on our own.

The proposed duty, although not to be levied, as the previous duty had been abolished ostensibly for the consumers' benefit, must really prove to be so, as being the only means for ensuring the indispensable revival of British production—the only security for permanently low prices.

To descend to details: Instead of the former 290 returning towns, it would appear necessary that *every* market town should now be constituted, in charge of a similar local officer, for the purpose of returning, for publication in the *London Gazette*, the weekly sales in such town of *British wheat*; for each sale by farmers a printed form of contract should be filled up and be signed by seller and buyer, and also by the returning officer, setting forth the quantity and price of the sale, with a declaration,—to be made before a magistrate, of the names of the farm and of the farmer by whom the wheat had been grown, and that the contract quantity of wheat had been delivered by him to the buyer: this to be subjoined to the contract, and signed by the farmer and by the magistrate attesting the farmer's signature. This document should thenceforth be made *transferable* and negotiable by the farmer's banker only at the Custom House (perhaps the) nearest to the said market town, and payment should be claimable and be made in the interest of the same farmer of one *half* the amount of the fixed duty leviable upon the import of an equal quantity of foreign wheat.

The deplorable inanition into which our tillage

has fallen may possibly render it expedient that both oats and beans should be placed on the same footing as wheat, as an incentive to extended production of these crops also.

Such would be an adequate and effective money-inducement to British farmers to return *at once* to and afterwards to *maintain* their production of home-grown wheat upon the largest possible scale.

Dr. Playfair, in the article before referred to, alludes to the necessity "that our production of wheat should be increased by superior cultivation." "Superior cultivation," of course, implies an abundant outlay of capital. The right honourable gentleman enumerates also various American sources of an immensely increased growth and supply immediately to be "forced upon Europe." Europe in this case necessarily means *exclusively British* ports; for no other are likely to be open, as ours certainly will be, to admit this foreign avalanche.

The practical purport of this remark of the Doctor, then, is tantamount to this—that British agriculture is, from the present time, hopelessly doomed to annihilation. For, if improved cultivation alone can avert this doom, and if the indispensable improvement depends on an outlay of capital, which is known to be an impossibility, such doom may at once be viewed as an accomplished fact. For who could be rash enough, under "Free Imports" on the extraordinary scale anticipated, to lavish capital on British farming?

For this deplorable state of matters agricultural,

there seems, then, to be no possible remedy but the promptest re-imposition of a Protective duty: A duty also to be so levied as to become the certain incentive to renewed British agricultural production.

In the form and application of the duty as now presented, that essential object is provided for. But it should also be openly declared, at the same time by Government and by Parliament, that the proposed mode of applying the duty to the contemplated object is to be accepted by the agricultural interest as a substantial earnest, and practical evidence of the future determination of Government and the nation, that the present decline of British agriculture towards its dissolution shall be at once arrested; and that its perfect re-establishment in full activity and prosperity shall, in every manner possible, be by them secured.

The present juncture seems also peculiarly seasonable for the inauguration of this revived legislative interposition. We are certainly on the eve of a great revolution as to the future scope and dimensions of the foreign supply. The almost immediate importations must transcend, prodigious although these now are, everything we have yet witnessed. Difficulties, truly, in the way of this reform are now numerous and great, but further delay can only augment their number and force a hundred-fold.

The existing Agricultural Commission might usefully direct their attention to an investigation of the several grounds alleged to exist for these

grave vaticinations; and, unless they should be invalidated by such ample means of verification as the Commission will possess, legislation, we submit, should immediately follow on the presentation to Parliament of the Report of this Commission.

The position of the British farmer, in a commercial point of view, has in late years been both peculiar and perplexing in the extreme. In former times a series of abundant harvests, followed by low prices, was the principal cause of agricultural distress. But the thriftless generation of those days has long been superseded by a higher class, possessed of adequate capital and scientific skill. But now, as though it were even a public benefit that agriculture should be unable to survive misfortune—in bad seasons—unlike the case of cotton, for example, for which a compensating advance of price is always obtainable on any deficiency of yield, our farmers are compelled by law to face heavy foreign imports, which preclude for them the possibility of obtaining the needful compensating advance of price, even to keep their heads above water.

In good seasons, again, they have still to face the same overwhelming scale of cheapening importations; and although the domestic price, under the more abundant yield of their own acres had already fallen sufficiently low, this reduced price must still be forced down lower to the unremunerative and indeed ruinous point.

Agriculture, therefore, which in other countries is fostered with almost paternal care, is, with us,

put under a fatal ban. Legislatively it is persecuted in the way just described, while, by the great body of Free Traders, it is treated as though it were amongst us a positively inimical institution, meriting only the most virulent state hostility, instead of being regarded as an industry of the highest national importance — essential to the country's prosperity, if not to our existence as a State. Free Imports may possibly serve, for the time, to lower the cost of living by one, five, or even by ten per cent., but this merely temporary advantage is ever at the cost of the eventual annihilation of the country's industrial income to ten times the amount so saved.

Mr. Gladstone, in the article previously referred to, adduces evidence, notwithstanding all such drawbacks, of the continued growth of the nation in material wealth in its latest decades, small though this growth has been in comparison with that of America. The logical value indeed of Mr. Gladstone's entire argument is its success in proving merely that this national progress has been *coincident* and contemporary with our modern Free Trade legislation. But he makes no attempt to demonstrate that these things exist as cause and effect, or to show that the latter has been a *contributory* in any sense or respect to such national advancement. Westminster Abbey, of course, in the same point of view, has also been contemporary, and until the advocates of Free Trade are able to offer practical evidence to the contrary, we must be permitted to hold that noble fane to have been, in so far as regards the practical

utility of the new philosophy, *equally* a contributory.\*

The Free Trade question has unfortunately heretofore, as it appears to us, been treated by most writers as though it were a thesis merely for intellectual speculation and exercitation: oftener pursued, it may be in the obviously divergent and excursive manner of Mr. Gladstone's recent article, which, we must submit, does not even *touch* the real intrinsic merits of this controversy.

Its advocates do not condescend, as Canada has latterly been compelled to regard it, as indeed it is, the simplest of all *practical* questions, embracing pre-eminently such vital matters as those which Canada has now legislatively disposed of, and as those which we have specified, and perhaps feebly essayed to illustrate in these pages.

We hope, however, we may have succeeded in

\* It is perhaps remarkable that Mr. Gladstone, in his search for causes of national prosperity, should have omitted all notice of the immense additions made since the introduction of Free Trade, to the currencies of the world, by the coincident general distribution of 600 to 700 millions of newly found Californian and Australian gold. This discovery at the very moment of our inauguration of Free Trade, might supposably have been providentially designed to counteract for England the baneful operation of that vicious system. It must, however, of necessity, have been the paramount fructifying agency and more or less so, no doubt, everywhere. In this country, for example, the Bank of England is financially constituted the essential basis of our commerce, both foreign and domestic, and is herself dependent upon her ability to retain a considerable permanent stock of gold. In the period reviewed by Mr. Gladstone, the Bank's treasure has been simply *doubled*. Perhaps never before in the world's history has the like good fortune blessed mankind by so large a gift of the indispensable circulating medium of commerce, of precious durable treasure, in its nature absolutely indestructible, and imperishable even in the lapse of centuries.

showing, as regards our own country especially, how this yet novel philosophy, which at present distinguishes and isolates England from the commercial policy of every other nation, could not possibly have affected the national prosperity otherwise than as an insidious and thwarting antagonism. America's characteristic shrewdness had for herself early discerned this baneful virus and disastrous action of the same theory. Her adhesion to the ancient system and practical aversion to the modern, regarding her as distinguished by pre-eminent natural sagacity, may therefore no doubt be accepted as perhaps the severest condemnation of the latter, while it doubtless presents to the commercial world an authoritative, instructive, and it may be portentous admonition.

The case of America, moreover, is practically conclusive on another radical though moot point, namely, that a protective duty is not necessarily the *cause of high prices* : on the contrary, that under a protective duty on corn, and one of even 35 per cent. on locomotives, a country becomes the *cheapest corn market* and the *cheapest factory of locomotives* in the world !

This decisive American experiment has been a *national* one, deliberately conducted, and on the widest possible scale. The result is the incontestable fact above mentioned. This fact too is one which goes down to the very roots of the controversy, and we fear must be admitted to be entirely subversive of a purely speculative theory, against every possible defence of which it offers an unanswerable practical demonstration.



In Canada, however, matters in this respect had already reached a crisis. On the merits of Free Trade, public sentiment in that country startled at the progress of indisputable facts—equally conspicuous and ruinous—has now turned quite round to the directly opposite point. The popular vote, in consequence of this revulsion of the national opinion, was powerful enough at the general election which ensued to eject from power by a decisive majority the former non-protectionist government. The commercial system by which the former policy has been superseded fully equals in operation the anticipations of its promoters, and disappoints only the comparatively few who were interested in the permanency of the abandoned tariff.

